

State: Iowa
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Services			Tax Rate	
Basic Sales Tax Rate			5	* Local option sales tax coverage of services is similar to state coverage
SIC	NAIC			
Agricultural Services				
071,072,	11511	1	Soil prep., custom baling, other ag. services	E
074	54194	2	Veterinary services (both large and small animal)	E
075	11521	3	Horse boarding and training (not race horses)	E
0752	81291	4	Pet grooming	5
078	56173	5	Landscaping services (including lawn care)	5
				* Pet grooming service is taxable.
				* Exempt if performed in connection with new construction.
Industrial and Mining Services				
10,12,148	213115	6	Metal, non-metal and coal mining services	E
1382,	54136/213112	7	Seismograph & Geophysical Services	E
138	213112	8	Oil Field Services	E
279	323122	9	Typesetting service; platemaking for the print trade	E
Construction				
15	237236	10	Gross Income of Construction Contractors	E
17	238	11	Carpentry, painting, plumbing and similar trades.	5
179	23593	12	Construction service (grading, excavating, etc.)	5
178	23581	13	Water well drilling	5
				* Exempt if performed in connection with new construction.
				* Exempt if performed in connection with new construction.
				* Exempt if performed in connection with new construction.
Transportation Services				
41	485	14	Income from intrastate transportation of persons	E
411	485113	15	Local transit (intra-city) buses	E
412	48531	16	Income from taxi operations	E
421	492	17	Intrastate courier service	E
4513	492	18	Interstate air courier (billed in-state)	E
Storage				
4221	49313	19	Automotive storage	E
4226	49312	20	Food storage	E
4225	49311	21	Fur storage	5
4225	53113	22	Household goods storage	5
		23	Mini -storage	5
				* Taxable if it is the storage of raw agricultural products, unless the

4222	49312	24	Cold storage	E	* Taxable for raw agricultural products.
4493	71393	25	Marina Service (docking, storage, cleaning, repair)	E	
4492	48833	26	Marine towing service (incl. tugboats)	E	
4724	56151	27	Travel agent services	E	
4783	488991	28	Packing and crating	5	* On or after July 1, 1996 the gross receipts from the sales of packi
			Utility Service - Industrial Use		
4811	5171	29	Intrastate telephone & telegraph	5	* Processing and agricultural production exempt. * Processing and agricultural production exempt. * Processing and agricultural production exempt. * Processing and agricultural production exempt.
4811	5171	30	Interstate telephone & telegraph	E	
	51721	31	Cellular telephone services	5	
491	2211	32	Electricity	5	
494	22131	33	Water	5	
492	48621/22121	34	Natural gas	5	
		35	Other fuel (including heating oil)	5	
495	22132/562	36	Sewer and refuse, industrial	5	
			- Residential Use		
4811	5171	37	Intrastate telephone & telegraph	5	* The tax on electricity and gas for residential consumers is being p
4811	5171	38	Interstate telephone & telegraph	E	
	51721	39	Cellular telephone services	5	
491	2211	40	Electricity	5	
494	22131	41	Water	5	* The phase out also applies to other fuel including home heating o
492	48621/22121	42	Natural gas	5	
		43	Other fuel (including heating oil)	5	
495	22132/562	44	Sewer and refuse, residential	E	
			Finance, Insurance and Real Estate		
61	522	45	Service charges of banking institutions	5	* Tax is imposed only on service charge relating to depositors' che
64	524	46	Insurance services	E	
6282	52392/3	47	Investment counseling	5	
6163	52231	48	Loan broker fees	E	
653	5312	49	Property sales agents (real estate or personal)	E	
653	5313	50	Real estate management fees (rental agents)	E	
654	541191	51	Real estate title abstract services	E	
6289	523999	52	Tickertape reporting (financial reporting)	E	
			Services		
			Personal Services		
723 724	812111/2	53	Barber shops and beauty parlors	5	* Taxable for sale of personal property and taxable services when i
7217	56174	54	Carpet and upholstery cleaning	5	
7299	81299	55	Dating services	5	
7299		56	Debt counseling	E	
7219	812331	57	Diaper service	5	
726	81221	58	Income from funeral services	E	
7999		59	Fishing and hunting guide services	E	

7219	81149	60	Garment services (altering & repairing)	5	
7389	5619	61	Personal Services (continued)	5	
7299	81219	62	Gift and package wrapping service	5	* Turkish baths, massage, reducing and tanning salons taxable.
7215	81231	63	Health clubs, tanning parlors, reducing salons	5	
7211	81232	64	Laundry and dry cleaning services, coin-op	5	
7299	81299	65	Laundry and dry cleaning services, non-coin op	5	
4811		66	Massage services	5	* Turkish baths, massage, reducing and tanning salons taxable.
7999	91162	67	900 Number services	5	* If call is intrastate.
725	81143	68	Personal instruction (dance, golf, tennis, etc.)	E	* Generally exempt except dance schools, dance studios and flying
7389	56179	69	Shoe repair	5	
7291	541213	70	Swimming pool cleaning & maintenance	5	
7299	53222	71	Tax return preparation	E	
7389	56199	72	Tuxedo rental	5	
			Water softening and conditioning	5	
			Business Services		
7312	54185	73	Sales of advertising time or space:	E	
7319	54184	74	Billboards	E	
7319	54184	75	Radio & television, national advertising	E	
		76	Radio & television, local advertising	E	
		77	Newspaper	E	
		78	Magazine	E	
7311	54181	79	Advertising agency fees (not ad placement)	E	
7381	561613	80	Armored car services	5	
7389	81299	81	Bail bond fees	E	
7322	56144	82	Check & debt collection	E	
7336	54143	83	Commercial art and graphic design.	E	* Finished art and complete charge for tangible personal property at
7218	812331	84	Commercial linen supply	5	
7323	56145	85	Credit information, credit bureaus	E	
7361	56131	86	Employment agencies	5	* Exempt if principal place of employment is outside of Iowa and if
7389	54141	87	Interior design and decorating	5	
7349	56172	88	Maintenance and janitorial services	5	
		89	Lobbying and consulting	E	
		90	Marketing	E	
7342	56171	91	Packing and crating	5	* If for raw agricultural or household goods (no I.C.) From July 1, 1
7334	561439	92	Exterminating (includes termite services)	5	
7384	81292	93	Photocopying services	5	
	32311	94	Photo finishing	5	
		95	Printing	5	
7381	561612		Private investigation (detective) services	5	
			Business Services (continued)		
874		96	Process server fees	E	
7338	56141/561492	97	Public relations, management consulting	E	
		98	Secretarial and court reporting services	E	

7382	561612	99	Security services	5	
7389	54189	100	Sign construction and installation	5	
7389	561422	101	Telemarketing services on contract	E	
7389	561421	102	Telephone answering service	5	
7363	56132	103	Temporary help agencies	5	* Machine operators only.
8734	54138	104	Test laboratories (excluding medical)	5	* Medical test laboratories performing tests on humans or animals ;
7534	326212/811198	105	Tire recapping and repairing	5	
7349	56179	106	Window cleaning	5	* Exempt if performed for home owner.
			Computer:		
7372	5112	107	Software - package or canned program	5	
7371	541511	108	Software - modifications to canned program	E	* Taxable if the modification is canned software.
		109	Software - custom programs - material	E	
7371	541511	110	Software - custom programs - professional serv.	E	
	518111	111	Internet Service Providers-Dialup	E	
	518111	112	Internet Service Providers-DSL or other broadband	E	
7375	519190	113	Information services	E	
7374	518210	114	Data processing services	E	
7374	518210	115	Mainframe computer access and processing serv.	E	
			Computer Online Services:		
		116	Online Data processing services <i>New</i>	E	
		117	Software - Downloaded <i>New</i>	E	
		118	Books - Downloaded <i>New</i>	E	
		119	Music - Downloaded <i>New</i>	E	
		120	Movies/Digital Video - Downloaded <i>New</i>	E	
		121	Other Electronic Goods - Downloaded <i>New</i>	E	
			Automotive Services		
7542	811192	122	Automotive washing and waxing.	5	
7549	48848112	123	Automotive road service and towing services	5	
7549	81119	124	Auto service. except repairs, incl. painting & lube	5	
752	81293	125	Parking lots & garages	5	
7549	811198	126	Automotive rustproofing & undercoating.	5	
			Admissions & Amusements		
7948	711212	127	Pari-mutuel racing events.	5	
7996	71311	128	Amusement park admission & rides	5	
7999	71399	129	Billiard parlors	5	
793	71395	130	Bowling alleys	5	
	51751	131	Cable TV services	5	
	51751	132	Direct Satellite TV	5	
7999	7113	133	Circuses and fairs -- admission and games	5	* Effective July 1,1996 the gross receipts from sales and services re
7993	71312	134	Coin operated video games	5	

821 822	7112	135	Admission to school and college sports events	5	* Elementary and secondary sporting events are exempt.
7997	71391	136	Membership fees in private clubs.	5	
792	7111	137	Admission to cultural events	5	
7993	71312	138	Pinball and other mechanical amusements	5	
7941	71121	139	Admission to professional sports events	5	
783	51212	140	Rental of films and tapes by theaters	E	
784	53223	141	Rental of video tapes for home viewing	5	
			Professional Services		
872	5412	142	Accounting and bookkeeping	E	* Medical test laboratories performing tests on humans or animals :
	54131	143	Architects	E	
81	5411	144	Attorneys	E	
802	6212	145	Dentists	E	
8711	54133	146	Engineers	E	
8713	54137	147	Land surveying	E	
807	6215	148	Medical test laboratories	E	
8059	62311	149	Nursing services out-of-hospital	E	
801	6211	150	Physicians	E	
			Leases and Rentals		
7359	5322	151	Personal property, short term (generally)	5	* Exempt if used in conjunction with new construction. * Exempt if used in conjunction with new construction. * Exempt if used in conjunction with new construction. * Exempt if over 13 tons; exempt if rental period exceeds 60 days - * Effective January 1, 1996 vehicles with a gross weight of less tha
7359	5322	152	Personal property, long term (generally)	5	
7359	532412	153	Bulldozers, draglines and const. mach., short term	5	
7359	532412	154	Bulldozers, draglines and const. mach., long term	5	
7353	532412	155	Rental of hand tools to licensed contractors.	5	
751	532111	156	Short term automobile rental	5	
751	532112	157	Long term automobile lease	E	
	48532	158	Limousine service (with driver)	5	* 60 days or less. * Rental of aircraft is exempt from tax under Iowa's general transp * Local option hotel-motel tax is permitted which varies from 1% t * If just a space is being rented, the tax does not apply. If a space a
7359	532411	159	Aircraft rental to individual pilots, short term	5	
7359	532411	160	Aircraft rental to individual pilots, long term	E	
	48121	161	Chartered flights (with pilot)	E	
701	72111/9	162	Hotels, motels, lodging houses	5	
703	7212	163	Trailer parks - overnight	5	
			Fabrication, Installation and Repair Services		
769		164	Custom fabrication labor	5	* Taxable as sale of property.
		165	Repair material, generally	5	* Motor vehicle, boat, roof, shingle and glass repair, electronic and
		166	Repair labor, generally	5	
		167	Labor charges on repair of aircraft	5	
		168	Labor charges - repairs to interstate vessels	E	
		169	Labor charges - repairs to intrastate vessels	5	
3731	336611	170	Labor - repairs to commercial fishing vessels	5	
		171	Labor charges on repairs to railroad rolling stock	5	
7539	811111	172	Labor charges on repairs to motor vehicles	5	

7622	8112	173	Labor on radio/TV repairs; other electronic equip.	5	
7699	811	174	Labor charges - repairs other tangible property	5	
		175	Labor - repairs or remodeling of real property	5	* Labor charges for remodeling exempt. Repair labor is taxable.
		176	Labor charges on repairs delivered under warranty	E	
		177	Service contracts sold at the time of sale of TPP.	5	
		178	Installation charges by persons selling property	E	* Electrical and electronic installation is taxable unless it is perform
		179	Installation charges - other than seller of goods	E	* Electrical and electronic installation is taxable unless it is perform
		180	Custom processing (on customer's property)	E	* Unless a taxable enumerated service.
		181	Custom meat slaughtering, cutting and wrapping	E	* Starting July 1, 1996 the gross receipts from the sale of packing n
7699		182	Taxidermy	5	
7692		183	Welding labor (fabrication and repair)	5	
			OTHER TAXED SERVICES		
		184	Do you impose sales tax on other services not listed	5	* Reflexology. Sewage services to nonresidential commercial solid
		185			
		186			
			USE TAX ON SERVICES		
		187	Do you tax the use of services in the state?	Yes	
		188	If yes, at what rate?	5	
		189	Who is liable for use tax payment? (B)uyer or (S)eller	User	* User of the service and provider of service if sufficient nexus.
		190	Rules for determining the location of services?		* Where service rendered, furnished or performed.
		191	Exempt sales of services sold to government entities	Yes	
		192	Exempt sales of services sold to nonprofit entities?		* Generally no, but a few exemptions have been added recently.
		193	Exempt sales of services sold to federally chartered t		* Yes if instrumentalities of federal government or if federal law pr
		194	Is the tax on services imposed on (S)eller or (B)uyer	B	* Seller is obligated to collect the tax if seller is registered for tax co
			ADDITIONAL SALES/USE TAX QUESTIONS		
		195	Does your state tax tangible personal property that is purchased for rental or lease? (Yes/No) please explain.	No	* Property purchased for lease can be purchased for resale.
		196	Does your state tax the gross receipts from tangible personal property rentals or leases? (Yes/No) Please explain.	Yes	* There is a special exemption for automobiles purchased for short-
		197	Does your state tax shipping and delivery charges for tangible personal property? (Yes/No) Please explain.	Yes	* This is dependent upon terms of the sales agreement. If charges a